

**FIRST AMENDMENT
TO THE REGULATIONS GOVERNING
PAYMENT OF RETIREE HEALTH
BENEFITS FROM A 401(h) ACCOUNT**

On September 16, 2008, the Board of Supervisors County of Santa Barbara, State of California, passed a resolution adopting California Government Code Sections 31694 and 31694.1, pursuant to California Government Code Section 31694(a). In that same resolution the Board of Supervisors approved the Regulations Governing Payment of Retiree Health Benefits from a 401(h) Account ("401(h) Regulations").

Pursuant to Section 11.01 of the 401(h) Regulations, the Board of Supervisors has the power to amend the 401(h) Regulations.

The Board of Supervisors now wishes to amend those regulations to reflect that any general member (non-safety) employee hired by the County on or after June 25, 2012 shall not be an "Eligible Retired Participant" as defined below.

The 401(h) Regulations are hereby amended as follows:

1. Section 2.01(h) is hereby amended, effective June 25, 2012, to read as follows:

"(h) "Eligible Retired Participant" means a retired member of the System who is a retiree (including a terminated vested retiree), of the County designated to receive benefits under the Health Plan. The term also includes the Eligible Retired Participant's Spouse and Dependents. Each Participating Employer other than the County shall determine the definition of Eligible Retired Participant for its retirees (including a terminated vested retiree) designated to receive benefits under the Health Plan. Notwithstanding anything to the contrary, an individual hired by the County on or after June 25, 2012, and enrolled in Plan 7 (general members), shall not be an Eligible Retired Participant, and their Spouse shall not be an Eligible Retired Participant's Spouse.

2. Except for the change described above, the 401(h) Regulations shall remain unchanged.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2012 by the following vote:

AYES:

NOES:

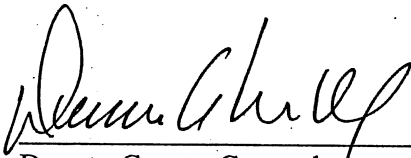
ABSENT:

CHAIR, BOARD OF SUPERVISORS

CLERK OF THE BOARD

By: _____ (SEAL)
Deputy

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

By: 
Deputy County Counsel